

STATE BONDING FUND

PERFORMANCE REPORT FOR JULY 2001

9/10/2001

	Assets as of July 31, 2001			* RATES OF TOTAL RETURN						
	EMV \$(000)	Actual Alloc	Policy Alloc	Month Ended (preliminary) Jul-01	Quarter Ended				2002 FYTD	Year Ended 6/30/2001
					Jun-01	Mar-01	Dec-00	Sep-00		
LARGE CAP EQUITY										
Value										
LSV	125	2.5%	2.3%	1.19%	8.10%	-0.57%	7.52%	11.45%	1.19%	28.80%
RUSSELL 1000 VALUE				-0.21%	4.88%	-5.86%	3.60%	7.86%	-0.21%	10.33%
Growth										
Alliance Capital	132	2.7%	2.3%	-3.26%	10.03%	-20.15%	-17.25%	-4.04%	-3.26%	-30.23%
RUSSELL 1000 GROWTH				-2.50%	8.42%	-20.90%	-21.35%	-5.38%	-2.50%	-36.18%
Core										
State Street	499	10.1%	10.5%	-0.98%	5.81%	-11.93%	-7.82%	-1.05%	-0.98%	-15.00%
S&P 500				-0.98%	5.85%	-11.86%	-7.82%	-0.97%	-0.98%	-14.83%
TOTAL LARGE CAP DOM. EQUITY	756	15.3%	15.0%	-1.04%	6.91%	-11.64%	-6.50%	2.03%	-1.04%	-9.87%
S&P 500				-0.98%	5.85%	-11.86%	-7.82%	-0.97%	-0.98%	-14.83%
SMALL CAP EQUITY										
SEI Investments	263	5.3%	5.0%	-3.30%	N/A	N/A	N/A	N/A	-3.30%	N/A
RUSSELL 2000 + 200 bp				-5.24%	N/A	N/A	N/A	N/A	-5.24%	N/A
TOTAL SMALL CAP DOM. EQUITY	263	5.3%	5.0%	-3.30%	14.24%	-9.39%	-10.36%	3.24%	-3.30%	-4.21%
RUSSELL 2000				-5.41%	14.29%	-6.51%	-6.91%	1.11%	-5.41%	0.57%
CONVERTIBLES										
Trust Company of the West	483	9.8%	10.0%	-2.96%	4.74%	-10.11%	-13.01%	3.09%	-2.96%	-15.57%
F.B. CONVERTIBLE SECURITIES INDEX				-1.97%	4.12%	-6.24%	-12.31%	2.95%	-1.97%	-11.87%
INTERNATIONAL EQUITY - Core										
Capital Guardian	468	9.5%	10.0%	-3.30%	0.94%	-8.89%	-7.10%	-11.54%	-3.30%	-24.42%
MSCI 50% HEDGED EAFE INDEX (1)				-2.74%	0.15%	-10.44%	-3.47%	-8.07%	-2.74%	-20.41%
FIXED INCOME										
Core - Index										
Bank of North Dakota	1,068	21.7%	22.5%	2.46%	0.31%	3.29%	4.24%	2.79%	2.46%	11.02%
LB GOVT/CORP				2.49%	0.30%	3.20%	4.37%	2.87%	2.49%	11.13%
Core Bond										
Western Asset	1,409	28.6%	27.5%	2.46%	1.18%	3.42%	4.29%	3.20%	2.46%	12.62%
LB AGGREGATE				2.24%	0.56%	3.03%	4.21%	3.01%	2.24%	11.22%
TOTAL FIXED INCOME	2,477	50.2%	50.0%	2.46%	0.80%	3.36%	4.27%	3.02%	11.92%	11.92%
LB GOVT/CORP				2.49%	0.30%	3.20%	4.37%	2.87%	2.49%	11.13%
CASH EQUIVALENTS										
BND - Money Market Account	484	9.8%	10.0%	0.32%	1.00%	1.40%	1.62%	1.71%	0.32%	5.85%
90 DAY T-BILLS				0.33%	1.12%	1.51%	1.63%	1.51%	0.33%	5.90%
TOTAL FUND	4,931	100.0%	100.0%	0.27%	3.44%	-2.32%	-1.24%	1.31%	0.27%	1.10%
POLICY TARGET BENCHMARK				0.39%	2.28%	-2.02%	-0.75%	0.98%	0.39%	0.44%
TOTAL VALUE ADDED DUE TO										
Asset Mix				-0.05%	-0.29%	-0.08%	0.06%	0.25%	-0.05%	-0.06%
Active Management				-0.06%	1.42%	-0.22%	-0.55%	0.07%	-0.06%	0.72%
Total Value Added				-0.12%	1.14%	-0.30%	-0.49%	0.32%	-0.12%	0.65%

(1) Prior to October 1, 2000, the benchmark for this asset class was the MSCI *Unhedged* EAFE Index.

* NOTE: Monthly returns and market values are preliminary and subject to change.
Returns are net of management fees.